

RESTRICTED

PERU - HIGHEAY TRANSPORTATION

A. POLICIES

- 1. Highway transportation policy in Peru is determined by the state. The Peruvian Government considers adequate highways to be the most essential component of its transportation system. This is because the flexibility of highways adapt them to the extremely rough terrain in Peru. The Government accordingly intends to promote the construction of new through roads to reduce the isolation of its remote areas.
- 2. There is little integration between the Ministries and other governmental authorities concerned with highways and other forms of transportation.
- 3. Strategic and military considerations do not appear to influence appreciably Peruvian highway transportation policy.
- 4. There is no government subsidization of motor transport operating units. All interurban highways, on the other hand, are constructed and maintained at state expense. There has been a marked increase in national road building expenditures in recent years. Peruvian policy has increasingly subordinated railroad construction to highway expension because of the adaptability of highways to the country's difficult terrain.
- 5. The Government's highway transportation policy is not influenced by vested interests.

B. ORGANIZATION

- 1. The Ministry of Development and Public Norks is responsible for highway and railroad matters. Under that agency is the Bureau of Highways and Railroads, with separate Highway and Railroad Sections.
- 2. The Bureau of Highways and Railroads is headed by a pirector General directly responsible to the kinistry of pevelopment and Public Works. A sub-director is in charge of the Highway section, which has departments for administration, operations and engineering.
- 3. There is no direct coordination of transportation policy between the Ministry of Development and Public Works, the Linistry of Aeronautics, and the Ministry of the Navy. There is no appreciable overlapping or conflict between the national agencies and the political sub-divisions in transportation matters.

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- 4. The present governmental agencies are considered adequate and there are no known plans for reorganization or new agencies.
- 6. The highway agencies are operated in the public interest, and are almost free of political interference. While the engineering services are good, there is need for more mechanized construction.

C. ADMINISTRATION

- 1. The planning of new highways is the responsibility of the Department of Studies and Planning of the Bureau of Highways and Railroads. New locations are approved by the Minister after consultation with other branches of the Linistry of Development and Public Norks. New roads are constructed according to a comprehensive national plan. Private motor transport lines for passengers and cargo require a license from the Bureau of Transit in the Ministry of Government and Police.
- 2. There is no official rate structure for cargo service on highways. While passenger bus rates are submitted by operators to the Bureau of Transit for approval, in practice competition dictates fares.
- 3. In the absence of through coastal railroads, cabotage operations of the state-owned Peru Steamship Corporation offer the only competition to motor transport along 2800 miles of coast served by the Pan-American highway. Ocean shippent is preferred for long distances and for heavy cargoes while motor freight is largely restricted to shorter hauls of lighter goods. Competition among individual motor transport operators is not particularly desired by the Government. However, lenient licensing procedures and the absence of remission charges for new operators facilitate the organization of new lines.
- 4. The Traffic Department of the Linistry of Government and Police establishes and enforces regulations governing motor transportation. Aside from traffic regulations, however, the State imposes no controls governing the safety and inspection of equipment and personnel using the high-ways. There are, on the other hand, periodic inspections of urban vehicles. Highway accident investigations come under the respective political sub-divisions of the country.
- 5. There are no government-fostered courses for training high-way technicians other than those offered by the National School of Engineering. Training procedures at this school are determined by the Einistry of Education. The drivers of all vehicles must have licenses issued under regulations established by the Bureau of Transit.

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- 6. The Peruvian Government is committed by treaty with Bolivia to protect traffic through Peruvian territory to the new safe port of Matarani on the Pacific. Peru does not participate in any international highway rate conferences.
- 7. Motor transport companies are not required to submit operational data or reports on traffic, rates, and accidents.